

1960

By Mr. EASTLAND:
S. 3249. A bill for the relief of Salwa Salamah; to the Committee on the Judiciary.

RESTORATION OF FREEDOM TO CAPTIVE NATIONS

Mr. DOUGLAS submitted the following concurrent resolution (S. Con. Res. 95), which was referred to the Committee on Foreign Relations:

Whereas the rulers of the Soviet Union have repeatedly declared their determination to pursue relentlessly their political, economic, and ideological drive for a worldwide victory for communism; and

Whereas in their efforts to attain that objective, the leaders of Russian communism, through force of arms, subversion, infiltration and other unlawful means, have imposed puppet Communist regimes upon the people of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Viet-Nam, and others; and

Whereas the leaders of Russian communism have employed organized tyranny, terror, mass killings and deportations, and other inhuman means to crush the spirit of the people of these captive nations and to transform their countries into political, social, economic, and cultural replicas of the Russian Soviet State; and

Whereas in direct violation of the commitments set forth in the Atlantic Charter and the provisions of the Yalta Agreement, the peoples of the captive nations are still being denied the right of self-government by democratic means and the opportunity to choose, through free and unfettered elections, national governments of their own free choice; and

Whereas in contravention of duly ratified treaties of peace, of the Charter of the United Nations of the universal declaration of human rights, and of expressions of the United Nations General Assembly, the people of the captive nations are being systematically deprived of the exercise of fundamental freedoms and basic human rights; and

Whereas the Eighty-sixth Congress did unanimously enact the captive Nations week resolution as a testament of support for the legitimate aspirations of the people of all the captive nations, thus recognizing the common plight of all the submerged nations forcibly incorporated into the Russian Communist empire during the past 42 years; and

Whereas the President of the United States has concurred in this action by Congress by signing the resolution into law and declaring by public proclamation that the third week of July shall henceforth be observed officially as "Captive Nations Week"; and

Whereas the United States of America has stood firmly on the principle of self-determination, welcoming the enlargement of the area of freedom and self-government and insisting on the inalienable right of the people of the captive nations to live under governments of their own choice; and

Whereas the United States of America has consistently refused to sanction, either directly or by implication, the political status quo of the captive nations, which the leaders of Russian communism have persistently attempted to impose upon the countries of the free world, particularly the United States; and

Whereas the attainment of a just and lasting peace is inconceivable without the restoration of freedom, independence, and national sovereignty to the captive nations forcibly incorporated into the Russian Com-

munist empire, the United States of America is determined to pursue by all peaceful means the emancipation of these nations: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That—

(1) The Congress of the United States reaffirms its intention to stand firmly by the people of the captive nations in their aspirations for freedom, liberty, and national independence.

(2) The Congress of the United States invites the active cooperation of all nations and men of good will in a crusade for peace with justice and freedom for all mankind; and

(3) The Congress of the United States urges the President to pursue energetically and as a matter of first priority at the forthcoming summit conference the inalienable right of all people to self-government, individual liberty, and the basic human freedoms, and, in particular, the restoration of these God-given rights to the people of the captive nations.

RESOLUTION

EXTENSION OF TIME FOR FILING REPORT BY, AND CONTINUATION OF AUTHORITY OF, THE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR OR MANAGEMENT FIELD

Mr. McCLELLAN (for himself, Mr. MUNDT, Mr. ERVIN, Mr. GOLDWATER, and Mr. CURTIS) submitted a resolution (S. Res. 294) extending the time for filing the final report of the Select Committee on Improper Activities in the Labor or Management Field and continuing its authority, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. McCLELLAN, which appears under a separate heading.)

PAYMENT TO THE GOVERNMENT OF THE PHILIPPINES

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize payment to the Government of the Philippines.

The proposed legislation has been requested today by the Acting Secretary of State in a letter to the Vice President of March 3, 1960, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record at this point, together with the letter from the Acting Secretary of State to the Vice President with regard to it.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the Record.

The bill (S. 3238) to authorize payment to the Government of the Philippines, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on

Foreign Relations, and ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

SECTION 1. There is hereby authorized to be paid by the Government of the United States to the Government of the Republic of the Philippines a sum not to exceed \$73 million in full satisfaction and final settlement of all awards for war damage compensation made by the Philippine War Damage Commission under the terms of title I of the Philippine Rehabilitation Act of 1946 (60 Stat. 128).

SEC. 2. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the amount of \$73,000,000 less the amount determined by the Secretary of the Treasury in consultation with the Secretary of State to be owing to the Government of the United States by the Government of the Philippines under the terms of the agreement relating to the repayment of funds advanced to the national defense forces, Republic of the Philippines by the United States Philippines-Ryukyu Command signed at Washington November 6, 1950, and entered into force on that date.

SEC. 3. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated a sum not to exceed \$10,000 which shall be available to the Secretary of the Treasury for administrative expenses which may be incurred in supplying records appropriate and needed by the Philippine Government consistent with the purposes of this Act, and the transfer to the Philippine Government of such records is hereby authorized.

The letter presented by Mr. FULBRIGHT is as follows:

MARCH 3, 1960.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: There is enclosed for the consideration of the 86th Congress the draft of a proposed bill entitled "An act to authorize payment to the Government of the Philippines." The proposed measure is the culmination of long study by appropriate agencies of the executive branch of the Government of an important problem: final settlement of all awards for war damage compensation made by the Philippine War Damage Commission under the terms of title I of the Philippine Rehabilitation Act of 1946 (60 Stat. 128).

The draft bill authorizes the Government of the United States to pay to the Republic of the Philippines a sum not to exceed \$73 million, which amount reflects the statutory maximum of unpaid private claims according to the reports of the War Damage Commission. It also provides that the appropriations for this purpose be reduced by any amount owed by the Government of the Philippines to the Government of the United States under the terms of an agreement (generally referred to as the Romulo-Snyder Agreement) signed by the two countries on November 6, 1950.

The records of the War Damage Commission are now largely in the custody of the Department of the Treasury. The draft bill provides for the appropriation of a sum not to exceed \$10,000 for administrative expenses which may be incurred in supplying appropriate records to the Philippine Government and authorizes the transfer of such records to that Government.

The Philippine Rehabilitation Act of 1946 (Public Law 370, 79th Cong.), as a manifestation of U.S. good will toward the Philippine people, provided for the payment of \$120 million for restoration and improvement of public property and essential public services. The sum has been paid in full. The act also provided for payments, on account of war damage to private property in the Philippines, for rebuilding, replacement,

or repair of such damaged property. These payments could, by the act, amount to a maximum of 75 percent of the approved amount of each claim after an initial \$500 had been paid on each claim. The \$400 million appropriated under that act for this purpose was sufficient to pay the initial \$500 on each claim and approximately 52.5 percent of the amount of each claim in excess of \$500 and such payments were made.

While the United States is under no legal obligation to make further war damage payments in the Philippines, it is the view of the Department of State that a payment in settlement of this matter would be of substantial assistance to the United States in attaining its foreign policy objectives. The Philippine people feel that the program provided for by the Philippine Rehabilitation Act of 1946 was not carried out as fully as the law permitted. While all claims of \$500 or less were paid in full and approximately 52.5 percent of the excess over \$500 was paid, the act had provided that up to 75 percent could be paid on these larger claims. Additional war damage payments are therefore looked on by the Filipinos as the fulfillment of a moral obligation, already recognized by our Congress, to provide assistance because of war damage sustained in the defense of the interests of the United States and the Philippines. The Philippine Government and people sincerely feel that the failure of the United States to appropriate additional war damage compensation has defeated a legitimate expectation of assistance from the United States to a firm ally which was severely damaged in the mutual war effort. The Department of State considers that settlement of this claim would remove any basis for the Philippine belief that the United States has not fulfilled its promises to the Philippines.

The executive branch believes that rebuilding, replacement, or repair of war damaged private property in the Philippines is no longer practicable. Moreover, in view of the time which has elapsed since the original claims were approved, and since the United States-Philippine War Damage Commission went out of existence on March 31, 1951, it is not considered practicable for the U.S. Government to assume any responsibility for the payment of the balance of approved individual private property claims. It is proposed, therefore, that settlement be made directly with the Philippine Government, whereupon the U.S. Government would consider itself divested of any responsibility for payment to private claimants.

Under the Romulo-Snyder Agreement of 1950, the United States converted into a loan to the Philippine Government the residual balance of certain funds advanced to the Philippines but not returned as previously agreed. The agreement provided that the exact amount of the loan should be determined by the results of an audit by the Philippine-Ryukyus command of the U.S. Army and that repayment of principal and interest should be made in 10 annual installments, the last of which would be due on May 31, 1960. An audit of April 1951 and a reconciliation of audit of December 1952 set the figure due the United States at approximately \$37.5 million, which figure the Philippine Government, pointing to alleged inaccuracies and discrepancies in the figures of the audits, has been unwilling to accept. After making the first four annual payments, the Philippines defaulted and has made no further payments, there remaining some \$24 million to be paid by May 31 of this year. Consultations between representatives of the two governments concerning the exact amount due and payable as of that date are now in progress. It is the final figure resulting from these discussions which, according to the presently proposed legislation, would be deducted from the amount to be paid to the Government of the Philippines.

The draft legislation was prepared by the Department of State in consultation with the Department of the Treasury. It is based on a full and careful consideration of the problems involved. Prompt and favorable action resulting in the payment of the compensation would strengthen the ties of friendship between the United States and the Philippines.

The Bureau of the Budget advises that enactment of the proposed legislation would be in accord with the program of the President.

I respectfully request that early consideration be given to the proposed legislation which is transmitted herewith. A similar communication is being sent to the Speaker of the House of Representatives.

Sincerely yours,

DOUGLAS DILLON,
Acting Secretary.

Enclosure: A draft bill to authorize a payment to the Government of the Philippines.

ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

Mr. WILLIAMS of Delaware. Mr. President, one of the hardest things to accomplish in Washington is the abolishment of a Federal agency once it gets started. That is true even though the agency may well have outlived its useful purpose.

Today I am sending to the desk a bill the purpose of which is to abolish a depression-born agency and one whose services have not been used during the past 15 years. This agency, however, still retains all of its previously conferred powers, including the powers to borrow up to \$2 billion and to pledge the credit of the U.S. Government for payment.

The agency to which I refer is the Federal Farm Mortgage Corporation, which was established by an act of Congress on January 31, 1934, primarily for the purpose of enabling the Land Bank Commissioner to make, on behalf of the Corporation, second mortgage loans as well as first mortgage loans on properties on which the lending authority of the Federal land banks was restricted.

This Corporation, in which the Government held all the capital stock, was authorized, subject to the approval of the Secretary of the Treasury, to issue and have outstanding at any one time \$2 billion in federally guaranteed bonds, and it could make collateral loans to the Federal land banks as well as purchase the bonds of those banks.

I am not questioning that this Corporation served a necessary function during the depression years; but, with the outbreak of World War II and its accompanying appreciation in Federal income and property values, the services of this agency no longer are necessary, and since the end of World War II it has no longer functioned as a lending agency.

In fact, the authority of the Commissioner to make mortgage loans expired on July 1, 1947, except for refinancing existing loans.

On June 30, 1955, all loans and certain other assets of the Corporation were sold by the Corporation to the Federal land banks.

On September 7, 1957, all their mineral reservations remaining unsold were transferred to the Secretary of the Interior in accordance with provisions of legislation enacted in September 1950.

In September 1957 the Government's investment in the capital stock of the Corporation was fully retired.

The Corporation, however, was not abolished; it still retained its authority, subject to the approval of the Secretary of the Treasury, to issue and have outstanding at any one time federally guaranteed bonds in an aggregate amount not exceeding \$2 billion. They still have authority to make collateral loans in the Federal land banks and to purchase their bonds. This authority is not being used, but it is still there.

As of June 30, 1959, the only assets of the Corporation were certain notes receivable from Federal land banks in the amount of \$5,602,214. These notes represent the balance due from the sale of the loans and other assets of the Corporation, and they are payable by the representative banks in annual installments.

Collecting these annual payments on notes from the Federal land banks and then transferring the proceeds to the Federal Treasury are the only duties left for this Corporation to perform, but these payments could just as easily be made direct to the Treasury.

I repeat, the Federal Farm Mortgage Corporation during the depression served a useful function. It was started at a time when the Federal land banks were not in a strong financial position, and its purpose was to support these banks by providing additional capital for loans to the farmers during the depression of the 1930's. The Federal land banks are now, however, all in a strong financial position, and everyone agrees that there is no need for any funds or any support from this Corporation.

Although this agency has not made any loans since the depression years and even though the authority of the Commissioner to make mortgage loans expired on July 1, 1947, except for refinancing existing loans, we find that since 1950 the following sums were appropriated to cover their administration expenses:

1951-----	\$1,128,836
1952-----	989,810
1953-----	834,731
1954-----	691,945
1955-----	572,539

Appropriations were suspended in 1955, during which year all loans and other assets of the Corporation were sold to the Federal land banks; however, during each of the ensuing years authority has been extended in the annual appropriation bills for the corporation to make such expenditures from collected funds as were necessary to continue the liquidation of its assets. These expenditures, however, have been substantially lower, and last year they were reduced to about \$5,000. But why this expenditure? Why keep a useless agency alive when it is not needed?

No agency of the Government having the power to borrow and pledge the credit of the U.S. Government in the amount of \$2 billion should be allowed

TRANSMITTAL SLIP		DATE 24 March 1960
TO: OGC/LC		
ROOM NO. 221	BUILDING EAST	
REMARKS: Returned. We should have an old file on this.		
FROM: EO/D CI		
ROOM NO. 221	BUILDING ADMIN	EXTENSION <input type="text"/>
FORM NO. 241 1 FEB 55		REPLACES FORM 36-8 WHICH MAY BE USED.

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TRANSMITTAL SLIP		DATE
		23 March 60
TO: DCI		
ROOM NO.	BUILDING	
221	Admin	82
REMARKS:		
FROM: Legislative Counsel		
ROOM NO.	BUILDING	EXTENSION
220	East	
FORM NO. 241 1 FEB 55	REPLACES FORM 36-8 WHICH MAY BE USED.	GPO : 1957-O-439445 (47)

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